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Desai

Former Prime Minister Morarji Desai said Saturday he had filed a \$5 million damage suit in the United States against allegations in the book ''The Price of Power'' that he was a ''star performer'' for the CIA, a news agency reported.

Desai, who headed India's government from 1977-79, has labeled as a ''sheer mad story'' claims in the book that he ''was a star performer who was paid \$20,000 a year'' beginning in the administration of President Lyndon B. Johnson and continuing into the years of President Richard Nixon.

The book's allegations cover the period when Desai was a member of Prime Minister Indira Gandhi's cabinet, serving as deputy prime minister from 1967 through 1969.

''Price of Power'' was written by Seymour Hersh, a Pultizer Prize-winning former reporter for The New York Times and recounts Henry Kissinger's years as national security adviser in the Nixon administration.

Desai, 87, who has since retired from politics, said attorney Mahendra Meha filed the suit in a Chicago court on Friday, the Press Trust of India reported.

He said the suit was filed against Hersh and the book's publisher.

Hersh, quoting anonymous officials, wrote, ''I have been able to establish firmly that Desai was reporting (to the CIA) through 1970.''

In 1969, Mrs. Gandhi forced Desai to resign from her cabinet and he turned against her leadership and joined the opposition party.

He became prime minister in 1977 when Mrs. Gandhi was defeated in a national election by the Janata Party. Desai remained in office until his resignation in 1979, when the Janata Party lost a majority in parliament.

Mrs. Gandhi returned to power in 1980.